DCC

Interim Results

for the six months ended 30 September 2016

14 November 2016

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Highlights

For the six months ended 30 September 2016

- **Very strong growth in Group operating profit, increasing by 33.3% to £117.8 million – up 26.5% on a constant currency basis**
- **Each division delivering growth year on year, with a very strong performance from DCC Energy**
- **Adjusted EPS increasing to 92.1 pence, up 31.1% – up 24.7% on a constant currency basis**
- **Interim dividend increased by 12.5% to 37.17 pence**
- **Strong cash generation continues**

Highlights

For the six months ended 30 September 2016

- **Very active period for development, with £181 million now committed to acquisitions**

- **Acquisition of Gaz Européen extends our market position into natural gas in France and is highly complementary to Butagaz**

- **DCC Healthcare also announcing the acquisition of Medisource today, further extending DCC Vital's leading market position in Ireland**

Financial Summary

For the six months ended 30 September 2016

£'m	2016	2015	% change	% CCY change
Revenue	5,597	5,066	+10.5%	+5.8%
Operating profit[1]	**117.8**	**88.4**	**+33.3%**	**+26.5%**
Profit before net exceptionals, amortisation of intangible assets & tax	101.4	74.0	+37.0%	+30.0%
Adjusted EPS[1]	**92.1 pence**	**70.3 pence**	**+31.1%**	**+24.7%**
Dividend per share	37.17 pence	33.04 pence	+12.5%	
Operating cash flow	141.0	120.7		
Net (debt) / cash	(112.2)	153.4		

[1] Excluding net exceptionals and amortisation of intangible assets

Business Overview: Divisional Results

For the six months ended 30 September 2016

£'m	2016	2015	% change
Operating profit[1]			
DCC Energy	76.0	52.9	+43.8%
DCC Healthcare	19.8	18.4	+7.0%
DCC Technology	11.3	8.6	+31.9%
DCC Environmental	10.7	8.5	+26.7%
Group operating profit[1]	**117.8**	**88.4**	**+33.3%**

[1] Excluding net exceptionals and amortisation of intangible assets

Acquisitions & Capital Expenditure

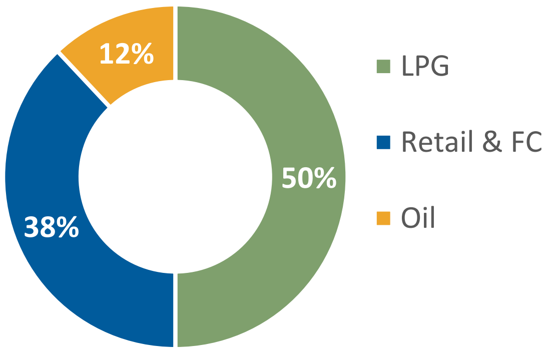
For the six months ended 30 September 2016

£'m	Committed Acquisitions	Capex	Total
DCC Energy	100.0	36.1	**136.1**
DCC Healthcare	27.4	4.3	**31.7**
DCC Technology	53.1	16.5	**69.6**
DCC Environmental	-	2.9	**2.9**
Total	**180.5**	**59.8**	**240.3**

DCC Energy

	2016	2015	% change
Volume (bn litres)	6.595	5.818	+13.3%
Revenue (£'bn)	*4.119*	*3.660*	*+12.5%*
Operating profit (£'m)	76.0	52.9	+43.8%

Operating profit by business:

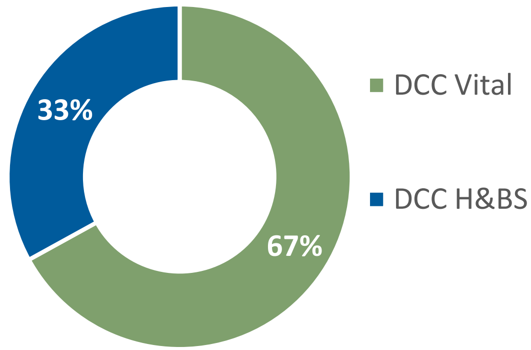


- Excellent performance from DCC Energy, with good organic profit growth and benefit of prior year acquisitions
- Volumes up 13.3%, 0.4% on a like-for-like basis
- **LPG** delivered an excellent performance
  - Good organic volume growth with commercial / industrial customers
  - Butagaz continuing to perform very strongly
  - Acquisition of Gaz Européen and combination with Butagaz provides excellent platform for growth in natural gas in France
- **Retail & Fuel Card** performed very well - strong performance in France and Sweden Acquisition of former Shell business in Denmark expands business further
- **Oil** in Britain saw challenging conditions, strong performance in Denmark – acquisition of former Shell commercial/aviation business will further strengthen Danish business

DCC Healthcare

	2016	2015	% change
Revenue (£'m)	244.3	239.1	+2.2%
Operating profit (£'m)	19.8	18.4	+7.0%
Operating margin	8.1%	7.7%	

Revenue by business:



- Good performance in the first half with operating profits up 7.0% and improvement in operating margin

DCC Vital

- Ongoing focus on sale and marketing of own products
- Good growth in hospital sector in Britain and Ireland and in GP sector in Britain although some trading headwind due to sterling weakness
- Medisource acquisition further strengthens pharma position in Ireland

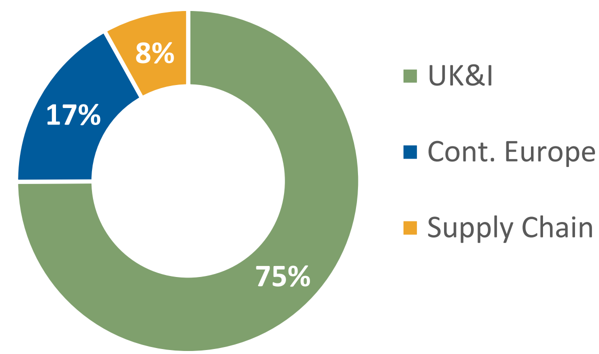
DCC Health & Beauty Solutions

- Track record of very strong organic profit growth continued in the first half, with good performance in nutritional products in particular
- Integration of Design Plus has gone well and has provided a range of additional growth opportunities for the business

DCC Technology

	2016	2015	% change
Revenue (£'m)	1,144	1,089	+5.1%
Operating profit (£'m)	11.3	8.6	+31.9%
Operating margin	1.0%	0.8%	

Revenue by business:



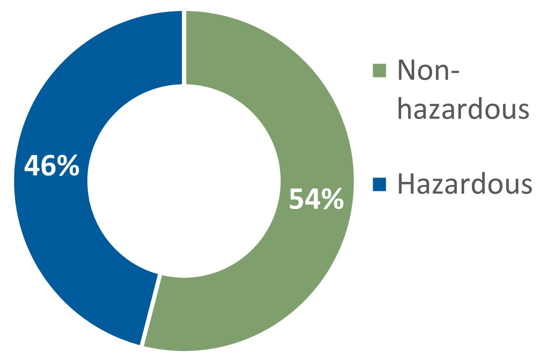
- Strong profit growth in the first half, with good organic performance and contribution from CUC
- UK business delivered strong growth, as anticipated
  - Good growth in professional audio visual, smart home technologies and supplies, although as expected, mobile computing and smartphone market remains weak
  - Business also benefited from cost reductions implemented in the prior year
- Acquisition of Hammer significantly strengthens position in server and storage products and provision of services to cloud and data channels
- Strong growth in Continental Europe, benefiting from good performance from CUC and very good organic growth in Sweden
- Irish and UAE businesses delivered good organic performances – Supply Chain business performed in line with expectations

DCC Environmental

	2016	2015	% change
Revenue (£'m)	89.3	78.3	+13.9%
Operating profit (£'m)	10.7	8.5	+26.7%
Operating margin	12.0%	10.8%	

- Excellent performance in the first half with operating profit increasing by 26.7% to £10.7 million – continuing trend of recent years
- Business in Britain recorded very strong performance, particularly in the hazardous sector as business continues to expand service offering
- Excellent performance in the Irish business driven by good business development activity

Revenue by activity:



Group Income Statement

	2016 Revenue	Change	2016 Gross Margin	Change	2016 Operating Costs
DCC Energy	£4,119m	+12.5%	5.85ppl	+1.30	£310m
Group excl. DCC Energy	£1,478m	+5.1%	12.6%	+1.0%	£144m
Total	£5,597m	+10.5%			£454m

- Energy volumes up 13.3% (0.4% organically), average selling prices down 5.4% on a constant currency (ccy) basis, mainly due to the lower oil price
- Revenue excluding DCC Energy up 5.1% (+1.8% on ccy basis), driven by acquisitions
- DCC Energy gross margin on a ccy basis 5.44ppl (2015: 4.55ppl)
- Gross margin % excluding DCC Energy of 12.6% (2014: 11.6%)
- Operating costs up £115m (acquisitions +£91m, organic flat, currency +£24m)
- DCC Energy operating costs on a ccy basis of 4.38ppl
- Excluding DCC Energy, operating costs as % of revenue 9.8% (2015: 9.1%)

Income Statement/Operating Cash Flow

	2016	2015	change	% change
Operating profit (£'m)	117.8	88.4	+29.4	+33.3%
Finance costs etc. (£'m)	(16.4)	(14.4)	(2.0)	
Profit before net exceptionals, amortisation of intangible assets and tax (£'m)	101.4	74.0	+27.4	+37.0%
Effective tax rate	17.5%	16.0%		
Operating cash flow (£'m)	141.0	120.7	+20.3	

- Operating profit growth of 33.3% (26.5% on a ccy basis)
- Finance costs increased primarily due to partial non-cash unwind of acquisition related liabilities in Butagaz which were acquired at net present value
- Effective tax rate increasing to 17.5% mainly due to greater anticipated proportion of Continental European profits
- Strong cash flow – net working capital days reduced to a negative 2.9 days, from a negative 2.3 days in 2015

Outlook

For the year ended 31 March 2017

The Group expects that both operating profit and adjusted earnings per share for the year ending 31 March 2017 will be significantly ahead of the prior year and ahead of current market consensus expectations

DCC's Strategy

Our objective:

To continue to build a growing, sustainable and cash generative business which consistently provides returns on total capital employed significantly ahead of its cost of capital

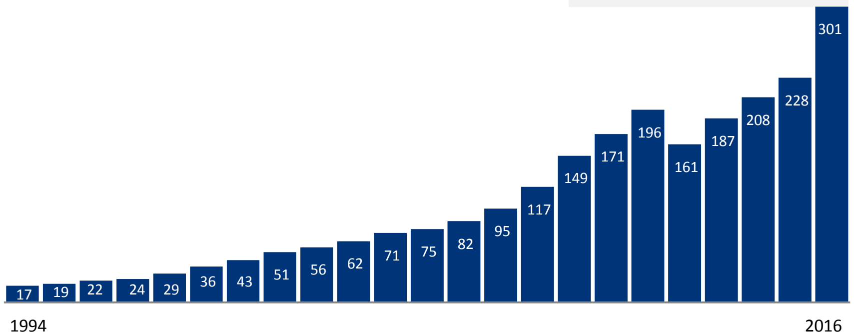
Our strategic priorities:

- Creating and sustaining leading positions in each of the markets in which we operate
- Continuously benchmarking and improving the efficiency of our operating model in each of our businesses
- Carefully extending our geographic footprint to provide new horizons for growth
- Attracting and empowering entrepreneurial leadership teams, capable of delivering outstanding performance, through the deployment of a devolved management structure
- Maintaining financial strength through a disciplined approach to balance sheet management

Track record of consistent growth

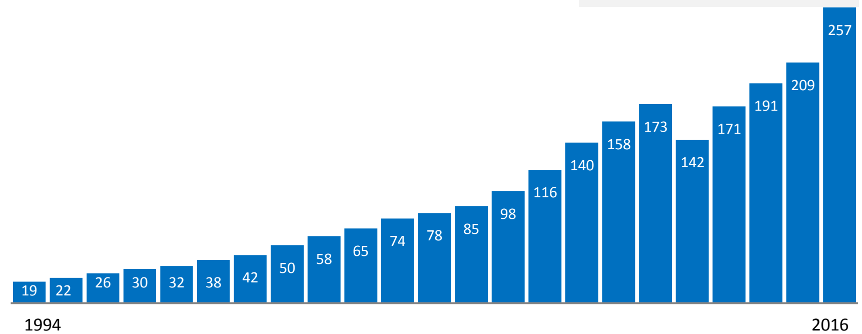
Operating profit (£m)

22 year CAGR
14.0%



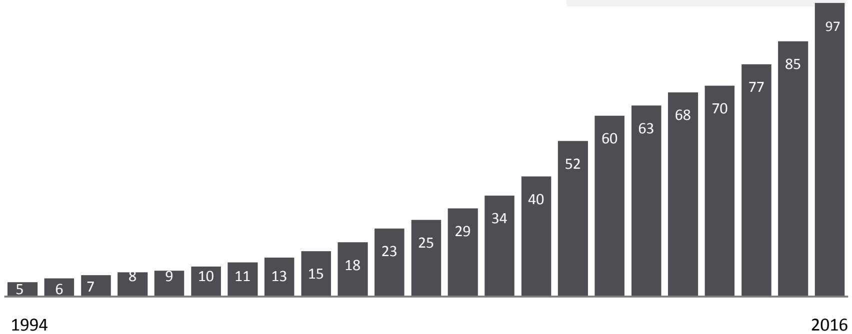
EPS (pence)

22 year CAGR
12.6%



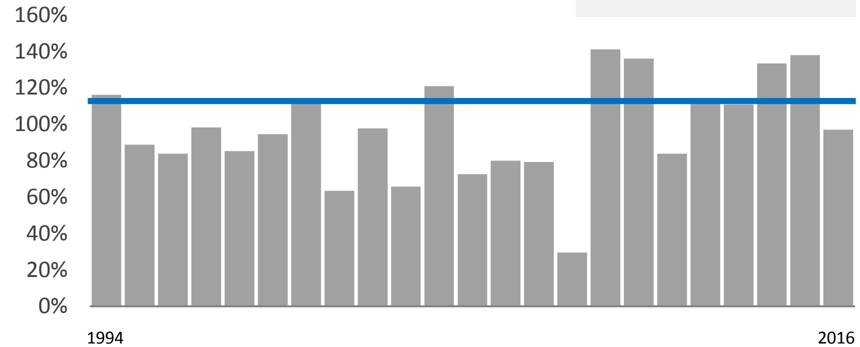
Dividend (pence)

22 year CAGR
14.7%



Free cash flow conversion (%)

22 year conversion
103%



Appendix

Acquisition of Gaz Européen

Gaz Européen
FOURNISSEUR DE GAZ NATUREL

Gaz Européen – transaction overview

- DCC Energy has agreed to acquire Gaz Européen based on an enterprise value of €110m
- 97% shareholding to be acquired, with remaining 3% held by management subject to earn-out
- Completion expected in Quarter 1 calendar 2017

Gaz Européen – business overview

- Natural gas (on-grid) retail and marketing business, based in Paris, serving the major cities in France
- B2B customer base, comprising energy management companies, apartment blocks, public authorities and the services sector
- Highly complementary to Butagaz's strong market and brand position in LPG in France
- Experienced and ambitious management team who have delivered strong growth
- Business delivered 5.1TWh of natural gas in the year to 31 December 2015 to 10,000 customer sites
- 5.1TWh is the equivalent of 390kT of LPG
- DCC Energy has been developing its presence in the natural gas sectors in existing markets
- Opportunity to leverage sales and marketing expertise, customer reach and brand recognition
- Provides an excellent platform for growth in the French natural gas market, leveraging Butagaz's brand recognition